## REMARKS

In the Action, claims 175-176, 178-187 and 190-198 were pending. Upon entry of the present Amendment, claim 198 is canceled without prejudice or disclaimer, and claim 199 is added. Applicant submits that the new claim does not introduce new matter to the specification, as support may be found, among other places, page 41 of the specification.

Claims 175-176, 178-187 and 190-195 stand rejected under 35 U.S.C. 101 as being directed towards non-statutory subject matter. Applicant submits that these claims do not merely recite an abstract idea, but that they indeed include tangible results (e.g., blocking a transaction, etc.). Nevertheless, Applicant has amended several of the claims to add additional technical detail.

All pending claims stand rejected under 35 U.S.C. 102(e) as being anticipated by *Joao et al.* (U.S. Pat. No. 6,047,270). Applicant respectfully requests reconsideration and withdrawal of this rejection, in view of the Amendment and Remarks contained herein.

### Independent Claim 175, and Dependent Claims 176, 178-187, 197 and 199

Amended independent claim 175 recites, among other features, the following steps:

> "storing a negative database in one or more memories
> communicatively coupled to a computing device
> communicatively coupled to the Internet, said negative
> database including information for a plurality of users, said
> information including, for each user, a predetermined sales
> limit, an indication of whether the user has previously refused
> payment for a prior purchase, and an indication of whether the
> user has ever disputed a charge for a prior purchase;"

> ...

> "using said information from said user to identify a
> predetermined sale limit for said user in said sale transaction
> and limit said user in said sale transaction to said

predetermined sale limit if said user has never disputed a
charge for a prior purchase; and

blocking said sale transaction if said user has previously
disputed a charge for a prior purchase.

The Action relies on *Joao et al.* to reject claim 175, and Applicant submits that this

reference fails to teach or suggest the method recited in amended claim 175, which includes

the steps quoted above. As discussed in the previous Amendment, this reference relates to a

system that notifies a credit account owner (e.g., through a cell phone, pager, fax machine,

etc.) whenever a purchase is about to be made using that owner's credit card, where the

owner can respond by giving his/her approval. *See, e.g., Joao et al.*, col. 7, lines 26-44

(addressing the owner's response). As the Action notes, *Joao et al.* mentions the ability to

limit certain transactions (Action, p. 3, citing, among other places, *Joao et al.*, col. 8, lines 5-

65). However, *Joao et al.* does not teach or suggest the method recited in amended claim

175. For example, *Joao et al.* does not teach or suggest the steps of storing the recited

negative database, "said negative database including information for a plurality of users, said

information including, for each user, a predetermined sales limit, an indication of whether the

user has previously refused payment for a prior purchase, and an indication of whether the

user has ever disputed a charge for a prior purchase," and "determining whether said

password is valid, and if said password is valid, using said information from said user to

consult said negative database and determine whether said user has ever disputed a charge for

a prior purchase." *Joao et al.* fails to teach or suggest such a use of a disputed charge.

For at least the above reasons, amended independent claim 175 distinguishes over

*Joao et al.*, and is in condition for allowance. Claims 176 and 178-187, 197 and 199 depend

from claim 175, and are distinguishable for at least the same reasons as claim 175, and further in view of the features recited therein. For example, claim 181 recites "[t]he method of claim 179, where said address information is a billing address." The Action cites to *Joao et al.*, cols. 11-12 for this feature, but a review of those columns shows no such recited feature. Applicant noted this deficiency in the previous Amendment, but the present Action does not elaborate on this ground of rejection. If the ground is maintained in a subsequent rejection, Applicant respectfully requests clarification as to where such a recited use of a billing address is allegedly found.

As another example, claim 183 recites "[t]he method of claim 175, further comprising a step of determining a sale limit for a user for whom no predetermined sale limit has been stored in said step of storing." The Action continues to cite *Joao et al.*, col. 8, to show this feature, but as Applicant noted in the previous Amendment, that column fails to teach or suggest the recited feature. Indeed, the only limits imposed by the *Joao et al.* system are those that are already stored in the central processing computer for the credit account holder – there is no teaching or suggestion for "determining a sale limit for a user for whom no predetermined sale limit has been stored in said step of storing," as recited in claim 183. If this rejection is to be maintained, Applicant respectfully requests clarification as to where such a teaching is found, so that prosecution may be meaningfully advanced.

Additionally, new claim 199 recites "[t]he method of claim 175, wherein said negative database contains information identifying whether said user has ever disputed a charge for prior purchases made at a plurality of different Internet-based ordering systems." The *Joao et al.* system does not teach or suggest the method of claim 199.

### Independent Claim 190, and Dependent Claims 191-194

Amended independent claim 190 recites, among other features,

> "storing, in a device communicatively coupled with a
> controller, a credit database identifying credit accounts
> associated with users, wherein said credit accounts include one
> or more credit limits for said users, an indication of whether
> said users have ever refused payment for a previous purchase,
> and an indication of whether said users have ever disputed a
> charge for a previous purchase;"

> ...

> "blocking said sale transaction if said user has previously
> disputed a charge for a prior purchase;"

and

> "temporarily blocking said sale transaction if said initial fraud
> control determines that said user has never disputed a charge
> for a prior purchase and if sale transaction would exceed a
> credit limit for said user;"

*Joao et al.* does not teach or suggest the method recited in amended claim 190, which includes the steps recited above. For example, *Joao et al.* fails to teach or suggest storing a credit database including "an indication of whether said users have ever refused payment for a previous purchase, and an indication of whether said users have ever disputed a charge for a previous purchase." *Joao et al.* does not store such a database. Furthermore, *Joao et al.* fails to teach or suggest the recited step of "temporarily blocking said sale transaction if said initial fraud control determines that said user has never disputed a charge for a prior purchase and if sale transaction would exceed a credit limit for said user." The Action cites *Joao et al.* col. 67, lines 55-65; col. 46, lines 45-60; col. 30, lines 15-25; col. 21, line 58 to col. 22, lines 1-10; and col. 8, lines 26-47 to show the previously-recited step of temporarily blocking. Action, p. 4. Those portions of *Joao et al.* relate generally to the account owner setting a

temporary limit for him or her self, and then having that limit enforced automatically. *Joao et al.* does not mention that prior disputed charges would be used in this process, and since the *Joao et al.* account owner is the one establishing the cited limits, there is no teaching or suggestion of temporarily blocking a sale transaction if the user has ever disputed a charge for a prior purchase.

For at least these reasons, amended claim 190 distinguishes over the art of record, and is in condition for allowance. Claims 191-194 depend from claim 190, and are allowable for at least the same reasons as claim 190, and further in view of the various advantageous and novel features recited therein.

## Independent Claim 195 and Dependent Claim 196

Amended independent claim 195 now recites, among other features, the following:

> "storing, in one or more memory devices, a negative database identifying whether a plurality of users have ever disputed a charge for any prior purchase with said web site, and whether a plurality of users have ever refused payment for any prior purchase with said web site;"

and

> "automatically accessing said negative database, in response to said request, to determine whether said user has ever disputed a charge for any prior purchase made with said web site;"

*Joao et al.* does not teach or suggest the instructions recited in claim 195. For example, *Joao et al.* fails to teach or suggest the recited step of storing quoted above. As noted above, the *Joao et al.* limits cited in the Action all relate to limits imposed by the account owner him/her self, and *Joao et al.* does not teach or suggest that the account owner will use such a negative database in setting the limit. Furthermore, the *Joao et al.* system

responds to the purchase request by notifying the account owner, and may also automatically impose the owner's established limits, but there is no teaching or suggestion that the *Joao et al.* system will perform these tasks along with "automatically accessing said negative database, in response to said request, to determine whether said user has ever disputed a charge for any prior purchase made with said web site."
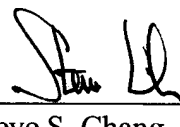
Dependent claim 196 depends from claim195, and is allowable for at least the same reasons as claim 195, and further in view of the various advantageous and novel features recited therein.

## Conclusion

For at least the reasons set forth above, Applicant submits that claims 175-176, 178-187, and 190-197 and 199 distinguish over the art of record, and are in condition for allowance. If the Examiner believes that further discussion and/or amendment would be helpful to place the application in condition for allowance, the Examiner is invited to telephone the Applicant's undersigned representative at the number appearing below.

Respectfully submitted,

Date: July 1, 2005

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